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Pyramid Stone Manufacturing, Inc  
BORROWING BASE CERTIFICATE

Report Number	2007-195
Report Date:	10/23/2007

**RZB**

Facility	Pyramid Stone				Total
Collateral Type	A/R	A/R	A/R	A/R	
Reported Date:	10/23/2007				
1. Beginning Balance ( Previous report - Line 9)	1,163,183				1,163,183
<b>ADDITIONS</b>					
2. Gross Sales	35,529				35,529
3. Miscellaneous. Debits					0
<b>DEDUCTIONS</b>					
4. Collections (Net Cash)	74,475				74,475
5. Discounts Allowed	1,200				1,200
6. Credit Memos (Dilutive)					0
7. Write-offs					0
8. Miscellaneous Credits (Non-Dilutive)					0
9. Gross Balance This Report	1,123,037				1,123,037
10. Ineligibles					
AGING:					
Over 90 days	514,108				514,108
CROSS AGE: (25% by customer)					
Over 90 days	206,753				206,753
A/R 91-120 greater than \$225,000	0				0
CONTRA A/P	0				0
CUSTOMER DEPOSIT CONTRAS	0				0
BILL AND HOLDS	0				0
PROGRESS BILLINGS	0				0
WIP greater than \$60,000	0				0
A/R due from AFFILIATES- STONE WAREHOUSE	0				0
HOME DEPOT-Concentration Limit (Excess Over \$675,000)	0				0
OTHER	0				0
OTHER	0				0
<b>Total Ineligibles</b>	<b>720,862</b>				<b>720,862</b>
<b>11. Total Eligible</b>	<b>402,175</b>				<b>402,175</b>
12. Advance rate	85%				
13. Gross A/R Availability	341,849				341,849
14a. Dilution Reserve @ 7.30%	29,359				29,359
14b. Credit Memo Lag Reserve @ 2%	6,837				6,837
14c. Reserves From Availability	0				0
<b>15. Net A/R Availability</b>	<b>305,653</b>				<b>305,653</b>
Collateral Type	Inventory Tagged	Inventory Full Slab and Tiles	Remnant Inventory*	Remnant Inventory Cap*	
Reported Date:	10/22/2007	10/22/2007	10/22/2007	10/22/2007	
16. Full Slab Inventory reported last period	311,450	635,675	810,304		
Deletions	18,302	21,973	6,890		
Additions	13,138	13,138	6,707		
TAGGED RECAPTURE		6,286			
<b>Total Inventory</b>	<b>306,286</b>	<b>633,126</b>	<b>810,121</b>		<b>1,436,961</b>
17. Ineligibles					
TAGGED GREATER THAN 90 DAYS	0				0
TAGGED CONCENTRATION LIMIT (EXCESS OVER \$3000,000)	6,286				6,286
TAGGED		306,286			306,286
DAMAGED	0	0	0		0
SLOW MOVING	0	0	0		0
REMNANT INVENTORY LESS THAN 13 SQUARE FEET			144,591		144,591
OTHER	0	0	0		0
<b>Total Ineligibles</b>	<b>6,286</b>	<b>306,286</b>	<b>144,591</b>		<b>457,163</b>
<b>18. Total Eligible</b>	<b>300,000</b>	<b>326,840</b>	<b>665,530</b>		<b>1,292,370</b>
19. NOLV RATE (Column B= 90% of eligible x SW Margin of 30%)	90% X 1.30%	55.60%	21.60%		
20. Gross Raw Material Availability	351,000	181,723	143,754		676,478
21. ADVANCE RATE	85.00%	85.00%	85.00%		
22. Reserves From Availability	0	0	0		0

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Plaintiff's Ex. 1

23. Net Inventory Availability	298,350	154,465	122,191	0	575,006
			*Subject to a Net Availability cap of \$125,000		
<b>Summary</b>	<b>Loan Activity</b>	<b>Over Advance</b>			
24. MAXIMUM AVAILABILITY	880,659	-			880,659
A. Permanent Availability Reserve					-
B. Net MAXIMUM AVAILABILITY					880,659
25. Revolver Facility Limit	2,000,000				2,000,000
Reported Date:	10/26/2007				
26. Previous Loan Balance (Previous Report Line 29)	1,452,685				1,452,685
27. Less: A. Paydowns on Revolver	91,245				91,245
B. Other	0				0
C. Other	0				0
28 Add: A. Borrowings on Revolver- Advances	100,000				100,000
B. Other -legal	25,063				25,063
C. Other - Field Audit					0
D. Other - Interest and fees					0
29. New Loan Balance	1,486,503				1,486,503
30. Letters of Credit	0				0
31. New Loan Balance plus Letters of Credit	1,486,503				1,486,503
32. Add:	0				0
33. Total Exposure (Line 31 plus Line 32)	1,486,503				1,486,503
34. Excess Availability (Line 24B less Line 33)					(605,844)

Pursuant to, and in accordance with, the terms and provisions of that certain Loan and Security Agreement ("Agreement") dated June 19, 2006, between RZB Finance, LLC ("Secured Party") and Pyramid Stone Manufacturing, Inc. ("Borrower"), Borrower is executing and delivering to Secured Party this Collateral Report accompanied by supporting data (collectively referred to as ("Report")). Borrower warrants and represents to Secured Party that this Report is true, correct, and based on information contained in Borrower's own financial accounting records. Borrower, by the execution of this Report, hereby ratifies, confirms and affirms all of the terms, conditions and provisions of the Agreement, and further certifies on this date, that the Borrower is in compliance with said Agreement.